

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JANUARY 18, 2011

The meeting of the State Properties Committee was called to order at 10:08 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and Andrew Marcaccio representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; Colleen Kerr, Susan Howe and Daniel Clarke from the Rhode Island Department of Transportation; Lisa Primiano and Michelle Sheehan from the Rhode Island Department of Environmental Management; Michael D. Mitchell from the Rhode Island Department of Administration; Moshe S. Berman from the law office of Ferrucci Russo, P.C.; and David Riley from Friends of India Point Park.

Chairman Flynn stated for the record that the State Properties Committee did have a quorum present and welcomed the newly appointed Rhode Island Office of the General Treasurer, Ex-officio Member of the State Properties Committee, Andrew Marcaccio.

ITEM A – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 42 acres of land located along Hazard Road in the Town of West Greenwich; known as the Capwell Property.

Ms. Sheehan explained that the property has frontage on Hazard

Pond, is situated adjacent to Arcadia Management Area and is in close proximity to Tillinghast Pond Management Area. The subject property will be incorporated into the Tillinghast Pond Management Area and managed accordingly. The property will include public access for hunting and hiking trails. Ms. Sheehan indicated that The Nature Conservancy is currently working toward purchasing the Butler Property, which is located on the northerly shore of Hazard Pond. Chairman Flynn asked if all the funds utilized for the purchase of this Conservation Easement are from the Federal Highway Enhancement Program and whether any State funds will be utilized. Ms. Sheehan stated that all funding for the acquisition of the Conservation Easement will come from the Federal Highway Enhancement Program. Although no State funds are being utilized for this purchase, Mr. Griffith commented that the property will require an extension of management, which at some point, may become be a measurable challenge for the Department. Ms. Sheehan reiterated that the subject property will be managed along with the Tillinghast Pond Management Area and a management council has been set up for this purpose. The council includes the Town of West Greenwich, The Nature Conservancy and the Department. Ms. Sheehan indicated that the council has a structure in place for handling additional properties acquired as part of Tillinghast Pond Management Area. Ms. Sheehan noted that the addition of several acres to the Tillinghast Pond Management Area will not tax the management council. In regard to the acquisition of other properties, Ms. Sheehan noted that the Department tries to purchase property

that abuts existing management areas and therefore, does not create new management areas, but simply adds acreage to existing areas. Mr. Kay asked if there are any structures on the subject property. Ms. Sheehan stated that there are no structures on the property. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement for the preservation of approximately 107.83 acres of land located along Union Street in the Town of Portsmouth. Ms. Primiano stated that several local matching grants were awarded by the Department in 2008. They are 50%/50% matching grants, which means the State provides up to 50% of the total acquisition cost to the community or land trust. Ms. Primiano stated that in exchange for the State's contribution, the land trust or the community grants a conservation easement back to the Department. Ms. Primiano noted that the subject property is a central parcel of land within the Center Island Greenway; it includes critical habitats, helps protect the Island's drinking water supply and is home to several rare species. Further, there will be recreation opportunities, through a trail system. Chairman Flynn asked if the golf course is part of the subject property. Ms. Primiano stated that the entire golf course is included in the Easement, which prohibits any future development. Chairman Flynn asked if the property will continue to be utilized as a golf course. Ms. Primiano stated the property will be utilized as a golf

course and it will be surrounded by a public trail system. Funds for the State's contribution come directly from the State's Open Space Bond Fund and have been budgeted for this specific purpose. Mr. Griffith asked Ms. Primiano to provide the Committee with more specific information regarding drinking water supply protection. Ms. Primiano explained that the Easement Agreement includes language concerning certain activities that protect the water supply. When speaking with The Land Trust, the Department carefully addressed issues such as fertilizers and chemicals that are typically allowed and used on golf courses. The Department's goal is to ensure that these items are used in concert with the best management practices to avoid any pollutants entering the drinking water supply. Mr. Griffith asked how the golf course is irrigated. Ms. Primiano believes that there are several well systems, which support the golf course's needs. Mr. Griffith stated that as the Department is aware, groundwater systems and surface water systems are interchangeable. Mr. Griffith further commented that because the Bailey Brook Watershed is a component of both Aquidneck Island and the City of Newport's water supply system, all necessary precautions and available safeguards should be employed to avoid any potential for future pollution or contamination of said water supply. Ms. Primiano stated that the Department takes these issues very seriously and noted that one of the main reasons the project was funded is because of the property's capacity to help protect the water supply. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM C –Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement for the preservation of approximately 61 acres of land located along Punchbowl Trail in the Town of Richmond; known as the Kenyon Property. Ms. Primiano stated that the Richmond Preservation Land Trust (the “Land Trust”) will own the subject property, but will grant the Department a Conservation Easement over said property in exchange for its contribution toward the purchase price of the property. Ms. Primiano noted that the Land Trust identified the Kenyon Property as a priority acquisition because it abuts the deCoppet Preserve, which comprises 1,800 acres of forested land, and because of its close proximity to the Crawley Preserve, which is a 96 acre parcel of land owned and managed by the Land Trust. Ms. Primiano stated that the deCoppet parcel will eventually become State-owned property in accordance with Mr. deCoppet’s Last Will and Testament. The Land Trust is seeking to create a public trails system and public access to the subject property. Mr. Kay asked what the property’s assessed value is. Ms. Primiano indicated that the property is valued at \$570,000. Mr. Kay asked if there are any existing structures on the deCoppet property. Ms. Primiano noted that there were originally two structures on the property, but that one has been demolished. The Land Trust is considering renovating the other structure to serve as a caretaker’s house or as a small office and/or education center. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement for the preservation of approximately 41.43 acres of land located along Terrance Drive and Jameson Drive in the Towns of Bristol and Warren; know as the Perry/St. Angelo Properties. Ms. Primiano noted that this project is also being funded by a local open space matching grant. The subject property will be owned and managed by the Town of Bristol. Ms. Primiano indicated that as the subject property abuts other protected property its acquisition will result in 92 contiguous acres of preserved land. Ms. Primiano noted that said property is located near what she considers to be a well developed property, which will provide access to the subject property from a number of densely populated residential neighborhoods. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 48 acres of land located along Old Boston Neck Road in the Town of Narragansett; known as Whale Rock Property. Ms. Sheehan indicated that the subject property is actually a portion of a larger project. Ms. Sheehan explained that The Nature Conservancy is currently negotiating the acquisition of 112 acres of land; however, the Department will hold a Conservation Easement over a 48 acre portion of said larger parcel. Ms. Sheehan presented maps, which illustrated the portion of the property over which the Department will

hold its Conservation Easement as well as the entire 112 acre parcel. As part of the Department's Conservation Easement, public access will be maintained with a small parking lot and walking trails. The Easement will be funded with \$250,000 from the Department's Open Space Bond. Chairman Flynn asked if the Department intends to contribute funds toward the purchase of the remaining 64 acres of land as well. Ms. Primiano stated that the Department does anticipate being a partner in said acquisition. However, as the funding has not yet been worked out, the Department has made no commitment above and beyond expressing an interest in partnering with The Nature Conservancy. Ms. Primiano noted that public access is a critical issue for the Department and will be a requirement if the Department is to contribute bond funds toward said acquisition. Ms. Primiano mentioned that the landowners have concerns about public access as the property is located in a rather secluded neighborhood. All of these issues will have to be resolved to the Department's satisfaction, prior to any commitment relative to funding is made. Mr. Griffith asked who will be responsible for the cost of the capital improvements to the subject property. Ms. Sheehan noted that The Nature Conservancy will bear the cost of the planned capital improvements. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Transportation – A request was made for conceptual approval for an inter-agency transfer of land by and between the Department of Transportation and the Department of

Environmental Management concerning the property located at 25 India Street in the City of Providence. Mr. Clarke noted that in November 2010, the residents of the State of Rhode Island voted to approve \$14.7 million dollars in open space funds. Mr. Clarke stated that \$3.2 million of said funds are dedicated and earmarked for the transfer of the former Shooter's property from the Department of Transportation to the Department of Environmental Management. The acquisition funds will be put directly into the highway account to defray the cost of both the demolition of the old highway and the restoration of the city streets necessary to complete the Iway Project. Mr. Clarke indicated that the Department of Transportation is now seeking conceptual approval to transfer the subject property. The Department of Transportation will then proceed with the necessary demolition and clean up work at the site. Upon the disbursement of the bond funds, both the Department of Transportation and the Department of Environmental Management will return to the Committee seeking approval of the final transfer document. Chairman Flynn noted that the Federal Highway Administration (the "FHWA") has been very insistent that this property be sold and in the event the voters had not approved the bond funds, FHWA would have continued to require the Department to sell said property. Chairman Flynn asked if property has recently been appraised. Mr. Clarke noted that the appraisal was updated approximately six (6) months ago. Chairman Flynn asked if the Department intends to demolish the structure presently on the property. Mr. Clarke indicated that part of the existing building will be demolished;

however, an existing cement slab will remain in tact. Chairman Flynn asked if the cost of demolishing the structure is included in the \$3.2 million dollars. Mr. Clarke explained that the cost to demolish the structure will initially be paid by the Department of Transportation. He indicated that the demolition of the building and clean up of the site will, of course, enhance the value of the property; therefore, when the property is re-appraised its value will include and reflect the cost of said demolition and clean up, thereby reimbursing the Department of Transportation for its initial expenditures. The Department of Transportation does not anticipate that the total purchase price will exceed the allotted \$3.2 million dollars. Chairman Flynn asked how long the Department believes it will take before this matter returns to the Committee. Mr. Clarke noted that as he is not familiar with the bond process, he is unable to answer that question with any certainty. However, he indicated that the Department of Transportation is presently preparing the specifications for the demolition work, which will then have to go out to bid. Mr. Clarke estimated that it would be spring before the demolition and clean up work would commence. However, he does not believe it will take any more than a month to complete the work. Chairman Flynn asked if Ms. Primiano has any idea as to when the bond sale is planned as the Department of Environmental Management also has another major acquisition, which will be financed by the same open space bond funds. Ms. Primiano indicated that the Department of Environmental Management has been told that when it is ready to proceed with the transfer, the funds will be made available forthwith. A motion was

made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for approval of and signatures on three (3) Temporary Easement Agreements in conjunction with the Improvements to I-195 (Contract 13 – Highway Demolition) in the City of Providence.

Ms. Kerr noted that the Department previously appeared before the Committee on December 22, 2009, relative to these Agreements; however, some scheduling conflicts arose, which caused delays; so the Department is here today to seeking approval of and signatures on new Easement Agreements. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM H – Department of Administration – A request was made for approval of and signatures on a Quit Claim Deed transferring title to the property referred to as Condominium Unit One, located at One Avenue of the Arts in the City of Providence to the Urban Heritage Providence Hotel, LLC. Chairman Flynn clarified that this request concerns the subterranean portion of the Renaissance Hotel, which is beneath the Veterans Memorial Auditorium. Mr. Mitchell indicated that the premises is referred to as the sub-sub basement area of the Masonic Temple Complex. Mr. Mitchell stated he and Attorney Berman are before the Committee pursuant to a Purchase and Sale Agreement dated April 30, 2004, by and between the Masonic Temple Development Company and the Rhode Island Refunding Bond

Authority. Mr. Mitchell explained that the Rhode Island Refunding Bond Authority held title to the subject property in 2004. Said Agreement required payment of \$322, 444 for said property, which the Developer was allowed to pay off through capital investments in the Veterans Memorial Auditorium Complex. Some time ago, the Masonic Temple Development Company completed renovations and repairs that ensured the building was in compliance with current fire and safety codes as well as installing a new elevator system. Mr. Mitchell noted that former Director Williams executed the appropriate document indicating that said work had in fact been completed. The Purchase and Sale Agreement also required that title of the property be transferred via a Warranty Deed. The State of Rhode Island took title of the property from the Refunding Bond Authority in April 2010. Mr. Woolley requested that the title of the property be transferred via a Quit Claim Deed and noted that the State accepted a quit claim deed when it took title to the property. Mr. Mitchell consulted with legal counsel for the “buyer” of the property and they agreed to accept transfer of the title via a quit claim deed. Mr. Mitchell indicated that the parties prepared and agreed upon the Quit Claim Deed, which was submitted to Director Licht for execution; however, the Deed has not yet been signed by the Director. Therefore, Mr. Mitchell respectfully requested that the State Properties Committee approve the Quit Claim Deed for the conveyance of said property subject to Director Licht’s execution of the Deed. Mr. Mitchell also indicated that the City of Providence has been noticed of its statutory right to purchase the property. Thomas Deller, Director of Planning for the City of

Providence communicated to the State that it will not exercise that statutory right. Mr. Mitchell noted that the property is being sold to Urban Heritage Providence Hotel, LLC, who took assignment of the Purchase and Sale Agreement after the Masonic Temple Development Company's renovations and repairs were complete. A motion was made to approve subject to the execution of the Quit Claim Deed by Director Licht of the Department of Administration. Said motion was seconded by Mr. Griffith.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter Executive Session by Mr. Griffith and seconded by Mr. Kay.

A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye," Mr. Woolley voted "Aye," Mr. Kay voted "Aye" and Chairman Flynn voted "Aye".

The State Properties Committee closed the Executive Session and returned to

the open session of the meeting at 10:49 a.m.

ITEM E1 – Department of Administration – Discussion pursuant to

R.I.G.L.

§ 37-6-18 and § 37-6-20 relative to Chapel Associates, LLC v. State of Rhode Island, et al. Providence County Superior Court, C.A. No.:10-5189. Item E1 is deferred to the State Properties Committee meeting scheduled for February 15, 2011, at the request of the Department of Administration.

ITEM E2 – Department of Transportation – A request was made for approval to proceed with the acquisition of easements by virtue of Condemnation Plat 665C, Great Road in the Town of Lincoln in connection with Statewide Drainage Improvements. After discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, a motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley. The meeting adjourned at 10:50 a.m.

**Holly H. Rhodes, Executive Secretary
State Properties Committee**